

ITEL

October 15, 1986

RECORDATION NO. 8669-17 Filed & Recorded
OCT 21 1986 1-30 PM

Itel Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

N6-294A120

Date OCT 21 1986

Fee \$ 30.00

ICC Washington, D.C.

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

INTERSTATE COMMERCE COMMISSION

\$ 30.00 filing fee

Re: Amendment No. 3, dated as of October 15, 1985, to Conditional Sales Lease Contract No. 73-3-2, as amended, by and between Union-Tidewater Financial Company, Inc., as Lessor, and Itel Rail Corporation, successor in interest to Itel Corporation, Rail Division, and to SSI Rail Corp., as Lessee

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 USC Section 11303(a), along with a check in the amount of \$30 covering the recordation fees.

Please record this Amendment under Equipment Lease No. 73-3-2 between SSI Rail Corporation and Union-Tidewater Financial Company, Inc., which was filed with the ICC on February 2, 1977 and given Recordation No. 8669 and cross-index same with the lease agreements dated April 29, 1977 (Corinth and Counce Railroad Company) and June 17, 1977 (New Orleans Public Belt Railroad Company) under Recordation Nos. 8838 and 8904, respectively.

The names and addresses of the parties to the aforementioned Amendment are listed below:

Itel Rail Corporation (Lessee)
55 Francisco Street
San Francisco, California 94133

Union-Tidewater Financial Company, Inc. (Lessor)
207 East Redwood Street
Baltimore, Maryland 21203

This instrument amends certain of the terms of the Lease covering two hundred (200) 50'6", 70-ton, XM boxcars financed under the said Equipment Lease.

Once filed, please return to the bearer the stamped counterparts not required for filing purposes together with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,

Josie Villalobos
Legal Assistant

JV:ps
Enclosure

cc: Howard L. Chabner
Robert C. Kiehle
Sandra Dial

This will
be under
8669
and so
not know
what it is.

Overlaid by Dr. Jacoby

NOT RECORDED
OCT 21 1 30 PM '86

Interstate Commerce Commission
Washington, D.C. 20423

10/21/86

OFFICE OF THE SECRETARY

Josie Villaflores
Legal Assistant
Ite! Rail Corporation
55 Francisco Street
San Francisco, Calif. 94133

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/21/86 at 1:30pm, and assigned re-recording number(s) . 8272-H, 8355-H, 8669-M, 9050-G

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

1067
NEED
FOR
ICC FILE
COPY

RECORDATION NO. 8669 Filed & Recorded

OCT 21 1986 1-30 PM

INTERSTATE COMMERCE COMMISSION

**AMENDMENT NO. 3 ("AMENDMENT NO. 3"),
DATED AS OF OCTOBER 15, 1985,
TO CONDITIONAL SALES LEASE CONTRACT NO. 73-3-2, AS AMENDED,
BY AND BETWEEN UNION-TIDEWATER FINANCIAL COMPANY, INC.,
AS LESSOR ("LESSOR"), AND ITEL RAIL CORPORATION,
SUCCESSOR IN INTEREST TO ITEL CORPORATION, RAIL DIVISION,
AND TO SSI RAIL CORP., AS LESSEE ("LESSEE")**

R E C I T A L S

- A. Lessor and SSI Rail Corp. (predecessor in interest to Itel Corporation, Rail Division and to Lessee) entered into a conditional sales lease contract, No. 73-3-2, the term of which commenced April 15, 1977, and pursuant to which two hundred (200) boxcars ("Boxcars") were financed;
- B. SSI Rail Corp. was merged into Itel Corporation on December 22, 1977, and Itel Corporation, Rail Division, thereby succeeded to the rights of SSI Rail Corp. under the conditional sales lease contract;
- C. Lessor and Itel Corporation, Rail Division, entered into Amendment No. 1 ("Amendment No. 1") dated as of March 12, 1980, to the conditional sales lease contract;
- D. Lessor and Itel Corporation, Rail Division, entered into Amendment No. 2 and Agreement ("Amendment No. 2"), dated as of May 15, 1982, to the conditional sales lease contract;
- E. Itel Corporation was Debtor and Debtor in Possession in the case under Chapter 11 of the Bankruptcy Code known as In re Itel Corporation, Debtor, Case No. 3-81-00111, in the United States Bankruptcy Court, Northern District of California (the "Bankruptcy Court");
- F. The Bankruptcy Court approved Itel Corporation's Amended Plan of Reorganization (the "Amended Plan") which provided, among other things, that all the rights, obligations and liabilities of the Rail Division of Itel Corporation were transferred to and assumed by Lessee, a wholly-owned subsidiary of Itel Corporation;

G. Pursuant to the Amended Plan and an order of the Bankruptcy Court, the conditional sales lease contract was amended by Amendment No. 2, assumed by IteI Corporation, and, effective as of September 19, 1983, assigned to Lessee;

H. Lessor and Lessee have agreed to amend and supplement further the conditional sales lease contract (as amended to date and as amended herein, the "Conditional Sales Lease Contract") upon the terms and conditions set forth herein;

NOW, WHEREFOR, in consideration of the premises and the mutual covenants together set forth, Lessor and Lessee hereby agree as follows:

1. All capitalized terms used herein, if not defined herein, shall have the meanings assigned to them in the Conditional Sales Lease Contract. All section or exhibit designations used herein shall refer to the respective section or exhibit of the Conditional Sales Lease Contract, unless otherwise stated herein. This Amendment No. 3 shall be effective as of October 15, 1985.

2. Amendment of Payment Provisions.

Section 1(b) of Amendment No. 2 is hereby deleted and replaced with the following:

The box on the first page of the Conditional Sales Lease Contract entitled SCHEDULE OF RENTAL PAYMENTS FOR BASE LEASE TERM and Sections 3(i) and 3(ii) of the Conditional Sales Lease Contract are hereby deleted and replaced with the following:

"3. Payments.

(i) Lessor and Lessee agree that there are deemed to be one hundred ninety-seven (197) Boxcars subject to the Conditional Sales Lease Contract as of October 15, 1985. Lessee shall make principal and interest payments (together called "Rent") to Lessor with respect to such one hundred ninety-seven (197) Boxcars as follows:

- (a) One Hundred Ninety-Six Thousand, Eight Hundred Eighty-Seven Dollars and Eighty-Two Cents (\$196,887.82) upon the execution of this Amendment No. 3 by Lessee, plus additional interest in the amount of Seven Thousand, One Hundred Twenty-Seven Dollars and Seventy-Six Cents (\$7,127.76) (which represents interest at the rate set forth on Exhibit D, attached hereto).
- (b) One Hundred Seventy-Five Thousand, Six Hundred Six Dollars and Forty-One Cents (\$175,606.41) on October 15, 1986 and on each January 15, April 15, July 15 and October 15 through and including October 15, 1996 (a total of forty-one quarterly payments).
- (ii) The unpaid principal balance is hereby deemed to be Five Million, Two Hundred Ninety Thousand, One Hundred Seventy-Five Dollars and Thirty-One Cents (\$5,290,175.31) as of October 15, 1985.
- (iii) The sum set forth in subsection 3(i)(a) hereinabove shall be allocated as follows: Sixty-Five Thousand, Sixty-Five Dollars and Forty-Five Cents (\$65,065.45) to the payment that was due and partially paid on January 15, 1986; Sixty-Five Thousand, Six Hundred Twenty-One Dollars and Ninety-Four Cents (\$65,621.94) to the payment that was due and partially paid on April 15, 1986; and Sixty-Six Thousand, Two Hundred Dollars and Forty-Three Cents (\$66,200.43) to the payment that was due and partially paid on July 15, 1986. The sums set forth in subsection 3(i)(b) hereinabove shall be allocated between principal and interest as set forth in Exhibit D, attached hereto and incorporated herein by reference.
- (iv) If any Boxcar is lost, stolen, damaged, destroyed or rendered permanently unfit for use, the total principal balance shall be reduced by the amount of the Casualty Value payment made by Lessee to Lessor with respect to such Boxcar, beginning on the Rent payment date upon which Lessee makes such Casualty Value payment to Lessor for such Boxcar (or the next succeeding Rent payment date, if such Casualty Value payment is not made on a Rent payment date). Interest shall be reduced accordingly, per Exhibit D.

3. Effective as of October 15, 1985, Exhibit A to the Conditional Sales Lease Contract is hereby deleted and replaced with Exhibit A-1 attached hereto and incorporated herein by reference. All references in the Conditional Sales Lease Contract to "Exhibit A" (including, but not limited to, references in Section 5(b) of the Conditional Sales Lease Contract as amended by Section 2 of Amendment No. 2) are hereby deemed to refer to "Exhibit A-1."
4. Lessee warrants and represents that, on or about October 7, 1986, it has completed a restructuring transaction (the "ETC Exchange Transaction") with respect to substantially all of the secured debt of Lessee that is governed by the Consolidated, Amended, and Restated Equipment Trust Agreement ("ETA") dated as of January 1, 1982, between First Security Bank of Utah, N.A., as Trustee, Itel Corporation and Itel Rail Corporation.
5. Lessor hereby waives any defaults and events of default under the Conditional Sales Lease Contract due to Lessee's payment of sums due Lessor according to Sections 2 and 3 hereinabove rather than according to the CSA without giving effect to this Amendment No. 3, from October 15, 1985, through and including October 15, 1986.

UNION-TIDEWATER
FINANCIAL COMPANY, INC.

By *Andrew Kephart*
Title *Vice President*
Date *October 9, 1986*

ITEL RAIL CORPORATION

By *DD Hayes*
Title *PRESIDENT*
Date *OCTOBER 8, 1986*

EXHIBIT A-1

PROG:REVUT2AM
20-Aug-86

UNION TIDEWATER #2

OEC/CAR \$31,826.84
OF CARS 197
ADJ OEC \$6,269,887.48

CASUALTY VALUE
AS PERCENTAGE
OF ORIGINAL
COST OF
EQUIPMENT(197)

DATE ----	
15-Oct-85	84.3743%
15-Jan-86	83.1052%
15-Apr-86	81.8131%
15-Jul-86	80.4975%
15-Oct-86	79.1580%
15-Jan-87	77.7942%
15-Apr-87	76.4056%
15-Jul-87	74.9918%
15-Oct-87	73.5524%
15-Jan-88	72.0868%
15-Apr-88	70.5947%
15-Jul-88	69.0754%
15-Oct-88	67.5286%
15-Jan-89	65.9537%
15-Apr-89	64.3502%
15-Jul-89	62.7175%
15-Oct-89	61.0553%
15-Jan-90	59.3629%
15-Apr-90	57.6397%
15-Jul-90	55.8853%
15-Oct-90	54.0990%
15-Jan-91	52.2803%
15-Apr-91	50.4286%
15-Jul-91	48.5432%
15-Oct-91	46.6236%
15-Jan-92	44.6692%
15-Apr-92	42.6793%
15-Jul-92	40.6533%
15-Oct-92	38.5905%
15-Jan-93	36.4903%
15-Apr-93	34.3519%
15-Jul-93	32.1747%
15-Oct-93	29.9580%
15-Jan-94	27.7011%
15-Apr-94	25.4032%
15-Jul-94	23.0635%
15-Oct-94	20.6814%
15-Jan-95	18.2561%
15-Apr-95	15.7867%
15-Jul-95	13.2725%
15-Oct-95	10.7126%
15-Jan-96	8.1063%
15-Apr-96	5.4527%
15-Jul-96	2.7509%
15-Oct-96	0.0000%

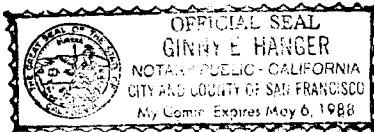
UNION TIDEWATER #2
CASUALTY #3

INTEREST 7.26136%
PRINCIPAL BALANCE 5,290,175.31
TERM 44
OF PAYMENTS/YEAR 4
PAYMENT/MONTH 175,606.41

	DATE	PRINCIPAL	INTEREST BALANCE	INTEREST 7.26136%	PRINCIPAL RECOVERY	PAYMENT
1	15-Oct-85	5,290,175.31	2,436,506.73			
2	15-Jan-86	5,210,603.57	2,340,472.06	96,034.67	79,571.74	175,606.41
3	15-Apr-86	5,129,587.33	2,245,881.89	94,590.17	81,016.24	175,606.41
4	15-Jul-86	5,047,100.37	2,152,762.44	93,119.45	82,486.96	175,606.41
5	15-Oct-86	4,963,115.99	2,061,140.41	91,622.03	83,984.38	175,606.41
6	15-Jan-87	4,877,607.01	1,971,042.98	90,097.43	85,508.98	175,606.41
7	15-Apr-87	4,790,545.75	1,882,497.83	88,545.15	87,061.26	175,606.41
8	15-Jul-87	4,701,904.03	1,795,533.14	86,964.69	88,641.72	175,606.41
9	15-Oct-87	4,611,653.16	1,710,177.60	85,355.54	90,250.87	175,606.41
10	15-Jan-88	4,519,763.93	1,626,460.42	83,717.18	91,889.23	175,606.41
11	15-Apr-88	4,426,206.60	1,544,411.34	82,049.08	93,557.33	175,606.41
12	15-Jul-88	4,330,950.89	1,464,060.64	80,350.70	95,255.71	175,606.41
13	15-Oct-88	4,233,965.96	1,385,439.16	78,621.48	96,984.93	175,606.41
14	15-Jan-89	4,135,220.43	1,308,578.28	76,860.88	98,745.53	175,606.41
15	15-Apr-89	4,034,682.33	1,233,509.97	75,068.31	100,538.10	175,606.41
16	15-Jul-89	3,932,319.12	1,160,266.77	73,243.20	102,363.21	175,606.41
17	15-Oct-89	3,828,097.67	1,088,881.81	71,384.96	104,221.45	175,606.41
18	15-Jan-90	3,721,984.25	1,019,388.82	69,492.99	106,113.42	175,606.41
19	15-Apr-90	3,613,944.51	951,822.15	67,566.67	108,039.74	175,606.41
20	15-Jul-90	3,503,943.48	886,216.77	65,605.38	110,001.03	175,606.41
21	15-Oct-90	3,391,945.56	822,608.28	63,608.49	111,997.92	175,606.41
22	15-Jan-91	3,277,914.49	761,032.94	61,575.34	114,031.07	175,606.41
23	15-Apr-91	3,161,813.37	701,527.65	59,505.29	116,101.12	175,606.41
24	15-Jul-91	3,043,604.62	644,129.99	57,397.66	118,208.75	175,606.41
25	15-Oct-91	2,923,249.98	588,878.22	55,251.77	120,354.64	175,606.41
26	15-Jan-92	2,800,710.50	535,811.29	53,066.93	122,539.48	175,606.41
27	15-Apr-92	2,675,946.51	484,968.87	50,842.42	124,763.99	175,606.41
28	15-Jul-92	2,548,917.63	436,391.34	48,577.53	127,028.88	175,606.41
29	15-Oct-92	2,419,582.74	390,119.82	46,271.52	129,334.89	175,606.41
30	15-Jan-93	2,287,899.98	346,196.17	43,923.65	131,682.76	175,606.41
31	15-Apr-93	2,153,826.73	304,663.01	41,533.16	134,073.25	175,606.41
32	15-Jul-93	2,017,319.60	265,563.73	39,099.28	136,507.13	175,606.41
33	15-Oct-93	1,878,334.40	228,942.52	36,621.21	138,985.20	175,606.41
34	15-Jan-94	1,736,826.15	194,844.36	34,098.16	141,508.25	175,606.41
35	15-Apr-94	1,592,749.04	163,315.06	31,529.30	144,077.11	175,606.41
36	15-Jul-94	1,446,056.44	134,401.25	28,913.81	146,692.60	175,606.41
37	15-Oct-94	1,296,700.87	108,150.41	26,250.84	149,355.57	175,606.41
38	15-Jan-95	1,144,633.99	84,610.88	23,539.53	152,066.88	175,606.41
39	15-Apr-95	989,806.58	63,851.88	20,779.00	154,827.41	175,606.41
40	15-Jul-95	832,168.52	45,863.53	17,968.35	157,638.06	175,606.41
41	15-Oct-95	671,668.80	30,756.84	15,106.69	160,499.72	175,606.41
42	15-Jan-96	508,255.46	18,563.77	12,193.07	163,413.34	175,606.41
43	15-Apr-96	341,875.61	9,337.21	9,226.56	166,379.85	175,606.41
44	15-Jul-96	172,475.40	3,131.01	6,206.20	169,400.21	175,606.41
					175,606.41	175,606.41

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO) SS.

On the 24th day of October, 1986 before me personally came Desmond P. Hayes to me known, who, being by me duly sworn, did depose and say that he is the President of Itel Rail Corporation, one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of Itel Rail Corporation; and that he signed his name thereto pursuant to like authority.



Ginny E. Hanger
Notary Public

STATE OF Maryland)
)
COUNTY OF Baltimore) SS.

On the 9th day of October, 1986 before me personally came Andrzej Koplewski to me known, who, being by me duly sworn, did depose and say that he is the Vice President of Union Tidewater Financial Company Inc., one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of Union Tidewater Financial Company Inc. and that he signed his name thereto pursuant to like authority.

Irene M. Christ
Notary Public

Commission Expires July 1, 1990


CERTIFICATE OF COMPARISON

STATE OF CALIFORNIA)
)
) ss.
CITY AND COUNTY OF SAN FRANCISCO)

I, Josie Villaflores, a Notary Public in and for the City and County of San Francisco, California, do hereby certify that I have compared the copy of the attached Amendment No. 3, dated as of October 15, 1985, to Conditional Sales Lease Contract No. 73-3-2, as amended, by and between Union-Tidewater Financial Company, Inc., as Lessor, and Itel Rail Corporation, successor in interest to Itel Corporation, Rail Division, and to SSI Rail Corp., as Lessee, with the original document and that it is a true and correct copy in all respects.

Executed on the 10th day of October, 1986, in San Francisco, California.




Josie Villaflores
Notary Public